

business of slaughtering hogs at its facilities in Sioux City, Iowa or Sioux Falls, South Dakota. Upon any such termination, if the producer's ledger account shows a positive balance, then Morrell will pay this amount to the producer in cash, without interest, within 30 days; or, if the producer's ledger account shows a negative balance, then the producer will pay this amount to Morrell in cash, without interest, within 30 days. Termination will not limit Morrell's right to recover from the producer for any loss, damage or liability Morrell may incur as the result of the producer's default.

FORCE MAJEURE

Neither party shall be liable for failure to perform or delay in performing any act hereunder if such performance is rendered impossible by reasons of matters beyond the reasonable control of the party, including but not limited to acts of God, strikes, lockouts, picketing, wars, blockades, riots, disease, epidemics, fire storms, floods, or explosion. These actions shall include but not be limited to:

(i) A failure to settle or prevent any strike or controversy with employees or with anyone purporting or seeking to represent employees shall be considered a matter beyond the reasonable control of the party affected under this subsection, provided such strike affect said party's performance of the requirements of this agreement; and

(ii) Any inability of producer to supply hogs due to an outbreak of disease, or failure to receive sufficient weaning pigs, or governmental action limiting or stopping production.

Once production becomes commercially possible, the responsibilities and obligations of the parties shall resume again with full force and effect. Where either party claims an excuse for non-performance under this Section, it shall give prompt telephonic notice promptly confirmed by written notice of the occurrence and estimated duration of the Force Majeure event to the other party; and it shall give prompt written notice when the Force Majeure event has been remedied and performance can re-commence hereunder.

MISCELLANEOUS

An eligible producer desiring to participate in this program must complete, sign and submit to Morrell for approval the attached program participation agreement. The producer is not entitled to participate in the program until his participation agreement has been reviewed and approved by an authorized officer of Morrell. This document, together with the participation agreement, constitutes the entire agreement between Morrell and the producer with respect to the program and may not be modified or amended in any respect by oral statements or course of dealing. Morrell reserves the right to assign its interest in this program to any purchaser of any substantial part of Morrell's assets or business. This program is governed in all respects by the laws of the State of South Dakota.